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## MEMORANDUM

## NATIONAL SECURITY COUNCIL

ACTION

1026 (Add-on #1)

USAID, DOS, NSC reviews completed

CONFIDENTIAL (GDS)

April 11, 1973

MEMORANDUM FOR: DR. KISSINGER

FROM: HAROLD H. SAUNDERS *Hal*

SUBJECT: Voluntary Agencies in India

MORI/CDF  
C03320358

A month ago, I wrote to you recommending the release of about \$10 million worth of food assistance to US voluntary agencies operating in India. To respond to recent food shortages, those agencies have drawn down their own supplies more rapidly than is normal, and this approval is simply to replenish them. The food will go to CARE, Catholic Relief, Church World Service and Lutheran World Relief.

Your response to my earlier memo (attached) was to "hold until we see how the current contretemps comes out." You were referring to the Indian reaction to our arms supply decision. With a month's perspective, it looks as if the Indians in the end kept the reaction within bounds. This being a purely humanitarian arrangement with our own organizations, I assume you would agree that we should go ahead now. This is an arrangement which it was agreed in 1971 should not be stopped, so it has been continuous.

Recommendation: That I be authorized now to tell Maury Williams to proceed in allocating \$10 million worth of food supplies to US voluntary agencies operating in India.

Approve *HK*

Other \_\_\_\_\_

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MEMORANDUM

NATIONAL SECURITY COUNCIL ACTION 1026

CONFIDENTIAL (GDS)

March 9, 1973

MEMORANDUM FOR:

DR. KISSINGER

FROM:

HAROLD H. SAUNDERS  
SAMUEL M. HOSKINSON

SUBJECT:

India's Food Situation

At Peter Flanigan's initiative, AID and CIA have produced assessments of the food supply situation in India and possible requirements for assistance from abroad. He has forwarded these assessments and his own comments to you (attached).

The Indian Food Situation

As you know, there has been a serious drought mainly in an area of Western India where some 200 million people (35% of the total population) reside. As a result, India once again faces a "serious foodgrain problem... not yet of crisis proportions", but which could become so if the spring rains are inadequate and there is another poor harvest next fall. The biggest problem right now is of assuring the distribution of minimum foodgrain requirements in the areas most severely affected by the drought.

India's present supplies of foodgrains, including about 2 million tons purchased on commercial terms abroad (one million tons from the US commercial market), appear to be sufficient to prevent widespread starvation until the spring harvest. This assumes, however, that the distribution problem is overcome and the magnitude of shortage has not been underestimated -- as has been the case at times in the past -- by Indian officials.

In short, although the Indians could use help now the real crunch could come next fall if the monsoon is again sub par.

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US Assistance

We have not had a regular PL480 sales program with India since the war and no one is proposing a new program now. For one thing, the Indians have been very reluctant to ask for help because of our political problems. More importantly, the US does not at present have either the grain availability or means of transportation to help, at least in the immediate future. Our own excess stocks have disappeared, our means of transportation are already overloaded and a strong commercial export demand is anticipated for US wheat in the year ahead. Any new program for India at that time would, therefore, have to come out of regular ongoing programs for other countries -- a most difficult problem since these have already been pared back to their absolute minimums.

Looking ahead, prospects are favorable for an excellent US wheat harvest in 1973. However, supplies available for PL480 programming are expected to remain tight because of reduced carryover and continued high commercial exports. Therefore, AID believes, and Flanigan agrees, that any decision on PL480 for India from our 1973 harvest should probably wait until Indian requirements and US availabilities can be more accurately assessed. Flanigan also suggests promoting a multilateral framework to share the burden, if India needs substantial assistance later this year. Our supply position on corn and grain sorghums is better and would probably permit us to accommodate an Indian request.

AID concludes that the only possibility for helping India now would be through temporarily increased food donations (oil, corn, milk, etc.) to US voluntary agencies already providing relief assistance in India. This is the only aspect of our entire aid program that was not touched by the aid cut off and the voluntary agencies (CARE, Catholic Relief Church World Service and Lutheran World Relief) have stocks already on hand in India or in their pipelines for their regular programs which, if released now and replaced later, could reach some 4 million hungry people. OMB says that such a program up to \$10 million could be accommodated within existing budget ceilings for this year. There would be no conflict with projected food programs in other countries.

The only reasons for not increasing our assistance to the private US voluntary agencies operating in India might be political ones within the context

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of our broader bilateral relations with India. There is no question about the need or the ability of the voluntary agencies to help. The humanitarian aspect is obvious.

In political terms a decision like this to give the voluntary agencies a greater capacity to respond would be a minimal move on our part. We have continued to provide assistance to these programs through the nadir of our political relations and all we would really be doing now is giving private US voluntary organizations a limited additional capacity to respond quickly to an emergency and not augmenting the overall amount of assistance they distribute in India. If we wanted to, we could, of course, play this assistance into the broader political context of the gradual improvement of our relations with India.

Recommendation: That you approve the provision of about \$10 million worth of food assistance to allow the US voluntary agencies operating in India to respond to the current emergency, and that the longer term Indian food situation be kept under close review but no other actions taken now.

Approve \_\_\_\_\_

Other \_\_\_\_\_

Concurrence: Richard Kennedy  
Robert Hormats

*Held until we see how current  
contingencies come  
out*

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MEMORANDUM

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

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#51845

February 27, 1973

MEMORANDUM FOR: HENRY A. KISSINGER  
FROM: PETER M. FLANIGAN   
SUBJECT: India Grain Situation

Attached are two assessments of the grain supply and requirement situation, the first an AID-USDA effort (Tab A), and the second a separate assessment from CIA (Tab B). The essential conclusions of both are:

1) India's grain situation is bad, but not desperate. It won't become critical unless the next (Spring) crop fails.

2) In any event, the U.S. does not at present have either the grain availability or means of transportation to provide help to India.

3) On a short term basis, AID is considering a proposal by which we could help with India's internal distribution problems by using up to \$10 million of voluntary agency (PL 480 Title II) stock on hand, and replacing it later.

So far, there has been no GOI request for such assistance, and I have instructed AID to hold up on any exploratory talks concerning the use of voluntary agency stocks pending a policy decision that we wish to give a signal to India re new U.S. assistance.

If, by next Spring, a deterioration in the grain situation points to a need for large scale imports, I recommend that we then look closely at the possibility of a multilateral, consortium approach. The purpose would be to avoid pressure to give away our most sought after export, and instead enter into an arrangement with the other developed countries under which a major portion of shipments from the U.S. would be financed by them on a commercial, cash basis.